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July 31, 2013

Ms. Marlene Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Room TW-A325
Washington, D.C. 20554

Re: *Ex Parte Notice*

Expanding the Economic and Innovation Opportunities of Spectrum Through Incentive Auctions, GN Docket No. 12-268;
Policies Regarding Mobile Spectrum Holdings, WT Docket No. 12-269

Dear Ms. Dortch:

On July 29, 2013, Kathleen Ham, Joshua Roland, and Chris Wieczorek of T-Mobile US, Inc. (T-Mobile); Dr. Gregory Rosston, Deputy Director of the Stanford Institute for Economic Policy Research and the Deputy Director of the Public Policy Program of Stanford University, and Dr. Andrzej Skrzypacz, the Theodore J. Kreps Professor of Economics at the Stanford Graduate school of Business and a Professor of Economics (by courtesy) at the Stanford School of Humanities and Sciences (representing T-Mobile); and Trey Hanbury of Hogan Lovells US LLP (representing T-Mobile) met by telephone with Gary Epstein, Edward Smith, Ruth Milkman, Brett Tarnutzer, Sasha Javid, Martha Stancill, Susan Singer, Joel Taubenblatt, Paroma Sanyal, Evan Kwerel, Steven Wildman, Omar Nayeem, and Matthew Hussey of the Federal Communications Commission; Paul Milgrom, Jonathan Levin, and Ilya Segal of Auctionomics, a consulting firm that is advising the Commission regarding auction theory; and Lawrence Ausubel of Power Auctions LLC, another consulting firm that is advising the Commission regarding auction theory.

T-Mobile and its representatives reviewed in detail Dr. Rosston's and Dr. Skrzypacz's economic study, *A Dynamic Market Rule for the Broadcast Incentive Auction: Ensuring Spectrum Limits Do Not Reduce Spectrum Clearance*.¹ As Drs. Rosston and Skrzypacz explain, by relying on actual bids rather than predictions of expected behavior, T-Mobile's proposed Dynamic Market Rule allows the free market to determine if spectrum aggregation limits will raise sufficient revenues.

The parties also discussed alternative methods for implementing the Dynamic Market Rule, including those identified in the appendix to the economic study. In addition, T-Mobile and its representatives

¹ Dr. Gregory Rosston and Dr. Andrzej Skrzypacz, *A Dynamic Market Rule for the Broadcast Incentive Auction: Ensuring Spectrum Limits Do Not Reduce Spectrum Clearance* (July 2013) (attached); see also *Ex Parte* Letter from Trey Hanbury, Counsel to T-Mobile US, Inc. to Marlene H. Dortch, Secretary, FCC, GN Docket No. 12-268 & WT Docket No. 12-269 (July 26, 2013).

discussed whether the Dynamic Market Rule could be implemented in ways that reduce auction complexity as well as the degree to which the Dynamic Market Rule could allow for the realization of higher auction revenues than a wholly unrestricted auction could generate. Finally, the parties explained how the Dynamic Market Rule could operate in seamless, sequential combination with the Commission's "extended rounds" proposal.²

Pursuant to section 1.1206(b)(2) of the Commission's rules, an electronic copy of this letter is being filed in the above-referenced dockets. Please contact me with any questions.

Respectfully submitted,

/s/ Trey Hanbury

Trey Hanbury
Counsel to T-Mobile US, Inc.

² See Wireless Telecommunications Bureau, *Auctionomics/Power Auctions Option for Forward Auction*, GN Docket No. 12-268 (Feb. 1, 2013).